

House File 2022 - Introduced

HOUSE FILE 2022

BY J. TAYLOR

A BILL FOR

1 An Act relating to state and school district finances by
2 increasing the regular program foundation base percentage.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 257.1, subsection 2, paragraph b, Code
2 2011, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 b. (1) The regular program foundation base per pupil is the
5 following:

6 (a) For the budget year commencing July 1, 2012, the
7 regular program foundation base per pupil is eighty-seven and
8 five-tenths percent of the regular program state cost per
9 pupil.

10 (b) For the budget year commencing July 1, 2013, the
11 regular program foundation base per pupil is eighty-nine and
12 twenty-eight hundredths percent of the regular program state
13 cost per pupil.

14 (c) For the budget year commencing July 1, 2014, the
15 regular program foundation base per pupil is ninety-one and six
16 hundredths percent of the regular program state cost per pupil.

17 (d) For the budget year commencing July 1, 2015, the regular
18 program foundation base per pupil is ninety-two and eighty-four
19 hundredths percent of the regular program state cost per pupil.

20 (e) For the budget year commencing July 1, 2016, the regular
21 program foundation base per pupil is ninety-four and sixty-two
22 hundredths percent of the regular program state cost per pupil.

23 (f) For the budget year commencing July 1, 2017, the regular
24 program foundation base per pupil is ninety-six and forty
25 hundredths percent of the regular program state cost per pupil.

26 (g) For the budget year commencing July 1, 2018, the regular
27 program foundation base per pupil is ninety-eight and eighteen
28 hundredths percent of the regular program state cost per pupil.

29 (h) For the budget year commencing July 1, 2019, and
30 succeeding budget years, the regular program foundation base
31 per pupil is one hundred percent of the regular program state
32 cost per pupil.

33 (2) For each budget year, the special education support
34 services foundation base is seventy-nine percent of the special
35 education support services state cost per pupil. The combined

1 foundation base is the sum of the regular program foundation
2 base, the special education support services foundation base,
3 the total teacher salary supplement district cost, the total
4 professional development supplement district cost, the total
5 early intervention supplement district cost, the total area
6 education agency teacher salary supplement district cost,
7 and the total area education agency professional development
8 supplement district cost.

9 Sec. 2. Section 257.4, subsection 1, paragraph b, Code 2011,
10 is amended to read as follows:

11 b. For the budget year beginning July 1, 2008, and
12 succeeding budget years beginning before July 1, 2019, the
13 department of management shall annually determine an adjusted
14 additional property tax levy and a statewide maximum adjusted
15 additional property tax levy rate, not to exceed the statewide
16 average additional property tax levy rate, calculated by
17 dividing the total adjusted additional property tax levy
18 dollars statewide by the statewide total net taxable valuation.
19 For purposes of this paragraph, the adjusted additional
20 property tax levy shall be that portion of the additional
21 property tax levy corresponding to the state cost per pupil
22 multiplied by a school district's weighted enrollment, and then
23 multiplied by one hundred percent less the regular program
24 foundation base per pupil percentage pursuant to section
25 257.1. ~~The~~ For budget years beginning before July 1, 2019, the
26 district shall receive adjusted additional property tax levy
27 aid in an amount equal to the difference between the adjusted
28 additional property tax levy rate and the statewide maximum
29 adjusted additional property tax levy rate, as applied per
30 thousand dollars of assessed valuation on all taxable property
31 in the district. ~~The statewide maximum adjusted additional~~
32 ~~property tax levy rate shall be annually determined by the~~
33 ~~department taking into account amounts allocated pursuant to~~
34 ~~section 257.15, subsection 4.~~ The For budget years beginning
35 before July 1, 2019, the statewide maximum adjusted additional

1 property tax levy rate shall be annually determined by the
2 department taking into account amounts allocated pursuant to
3 section 257.15, subsection 4, and the balance of the property
4 tax equity and relief fund created in section 257.16A at the
5 end of the calendar year.

6 Sec. 3. Section 257.15, subsection 4, Code 2011, is amended
7 to read as follows:

8 4. a. *Allocations for maximum adjusted additional property*
9 *tax levy rate calculation and adjusted additional property*
10 *tax levy aid.* ~~The~~ For fiscal years beginning before July 1,
11 2019, the department of management shall allocate from amounts
12 appropriated pursuant to section 257.16, subsection 1, and from
13 funds appropriated from the property tax equity and relief
14 fund created in section 257.16A for the purpose of calculating
15 the statewide maximum adjusted additional property tax levy
16 rate and providing adjusted additional property tax levy aid
17 as provided in section 257.4, subsection 1, paragraph "b",
18 an amount equal to the sum of subparagraphs (1) and (2) as
19 follows:

20 (1) From the amount appropriated from the general fund of
21 the state pursuant to section 257.16, subsection 1, equal to
22 the following:

23 (a) For the budget year beginning July 1, 2006, six million
24 dollars.

25 (b) For the budget year beginning July 1, 2007, twelve
26 million dollars.

27 (c) For the budget year beginning July 1, 2008, eighteen
28 million dollars.

29 (d) For the budget year beginning July 1, 2009, and
30 succeeding budget years beginning before July 1, 2019,
31 twenty-four million dollars.

32 (2) From the amount appropriated from the property tax
33 equity and relief fund created in section 257.16A.

34 b. After lowering all school district additional property
35 tax levy rates to the statewide maximum adjusted additional

1 property tax levy rate under paragraph "a", the department of
2 management shall use any remaining funds at the end of the
3 calendar year to further lower additional property taxes by
4 increasing for the budget year beginning the following July
5 1, the state foundation base percentage. If, however, the
6 state foundation base percentage is one hundred percent, the
7 department of management shall deposit those remaining funds
8 in the taxpayers trust fund created in section 8.57E. Moneys
9 used pursuant to this paragraph shall supplant an equal amount
10 of the appropriation made from the general fund of the state
11 pursuant to section 257.16 that represents the increase in
12 state foundation aid.

13 Sec. 4. Section 257.16A, subsections 2 and 3, Code 2011, are
14 amended to read as follows:

15 2. There For fiscal years beginning before July 1, 2019,
16 there is appropriated annually all moneys in the fund to the
17 department of management for purposes of section 257.15,
18 subsection 4.

19 3. ~~Notwithstanding~~ Except as provided in subsection 4,
20 and notwithstanding section 8.33, any moneys remaining in the
21 property tax equity and relief fund at the end of a fiscal year
22 shall not revert to any other fund but shall remain in the
23 property tax equity and relief fund for use as provided in this
24 section for the following fiscal year.

25 Sec. 5. Section 257.16A, Code 2011, is amended by adding the
26 following new subsection:

27 NEW SUBSECTION. 4. Any moneys in the property tax equity
28 and relief fund on June 30, 2019, shall be deposited by the
29 department of management in the taxpayers trust fund created
30 in section 8.57E.

31 Sec. 6. Section 423F.2, subsection 3, Code 2011, is amended
32 to read as follows:

33 3. The moneys available in a fiscal year in the secure an
34 advanced vision for education fund shall be distributed by the
35 department of revenue to each school district in an amount

1 equal to the amount the school district would have received
2 pursuant to the formula in section 423E.4 as if the local
3 sales and services tax for school infrastructure purposes was
4 imposed. Moneys collected in a fiscal year beginning before
5 July 1, 2017, that are in excess of that needed to provide each
6 school district with its formula amount shall be distributed
7 and credited to the property tax equity and relief fund
8 created in section 257.16A. Moneys collected in a fiscal year
9 beginning on or after July 1, 2017, that are in excess of that
10 amount needed to provide each school district with its formula
11 amount shall be deposited in the taxpayers trust fund created
12 in section 8.57E.

13 EXPLANATION

14 This bill relates to state and school district finances by
15 increasing the regular program foundation base percentage.

16 The bill provides for an increase in the regular program
17 foundation base under the state school foundation program.
18 The foundation base is the specified percentage of the state
19 cost per pupil calculation which is paid as state aid to
20 school districts, above and beyond the uniform property tax
21 levy imposed in Code section 257.3. Beginning with the budget
22 year commencing July 1, 2013, the increase is phased in over
23 a seven-year period in annual increments, from the current
24 foundation base level of 87.5 percent to the level of 100
25 percent in the seventh year.

26 The bill provides that the department of management's
27 determination of an adjusted additional property tax levy and a
28 statewide maximum adjusted additional property tax levy rate
29 only applies to budget years beginning before July 1, 2019.

30 The bill also provides that adjusted additional property tax
31 levy aid to school districts is only provided for budget years
32 beginning before July 1, 2019. The elimination of adjusted
33 additional property tax levy aid is the result of the regular
34 program foundation base percentage reaching 100 percent.

35 The bill sunsets the annual appropriation of \$24 million for

1 adjusted additional property tax levy aid under Code section
2 257.15(4) for the fiscal year beginning July 1, 2019, and
3 provides that if the state foundation base percentage is 100
4 percent, the department of management shall deposit those
5 remaining funds allocated for adjusted additional property tax
6 levy aid in the taxpayers trust fund.

7 The bill specifies that any moneys in the property tax equity
8 and relief fund established under Code section 257.16A on June
9 30, 2019, shall be deposited by the department of management in
10 the taxpayers trust fund.

11 The bill provides that moneys collected in a fiscal year
12 beginning before July 1, 2017, in the secure an advanced vision
13 for education fund (SAVE) that are in excess of that needed to
14 provide each school district with its formula amount continue,
15 as under current law, to be distributed and credited to the
16 property tax equity and relief fund created in Code section
17 257.16A. The bill provides that such excess moneys collected
18 in a fiscal year beginning on or after July 1, 2017, shall be
19 deposited in the taxpayers trust fund.